



2010 Assessor School

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Agenda


- Assessment Reform Update
- Announcements
- Provide Assessment Data (PAD)
- Law Changes
- IPAS
- Wisconsin Property Assessment Manual
- USPAP & IAAO Standards
- Court Cases

2

Property Assessment Reform - Update

- Basis: Town Hall Meetings
 - Forums provided constructive feedback
 - Concern over lack of local involvement
 - Agree problems exist
- Encourage full value assessments & consortiums
- Work with partners: standards, transparency & enforcement

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Property Assessment Reform - Update

2010 WPAM

- USPAP required for January 1, 2012 assessment
- Electronic parcel files by January 1, 2013 assessment
 - standardize records statewide


Consistent Quality

- Complete & accurate parcel attributes
- Transparent

State & Local Finance / Assessment Work Group

- DOR vehicle to work with partners
- First project: USPAP implementation

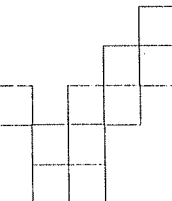
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SLF Staffing Changes

- James Bender
 - Equalization Central Office Supervisor
- Kelly Coulson
 - Eau Claire Manufacturing District Supervisor
- Tonya Buchner
 - Madison Manufacturing District Supervisor
- Linda Weber
 - Milwaukee Manufacturing Property Assessment Specialist
- Michele Cullen
 - Milwaukee Equalization Property Assessment Specialist

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Announcements

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2010 Assessor School

- Registration:
 - Statutory assessors: complete mileage for reimbursement
 - Notify DOR of municipalities where you assess & contact changes
 - Assessment Practices: bpador@revenue.wi.gov
 - District Offices: <http://www.revenue.wi.gov/contact/stfboe.html>
- Roster
- Material:
 - Calendar of events
 - Internet highlights
 - TID information
 - Act 401 – agricultural use
- Final PowerPoint: posted in December
- Internet version for assessor cert. credit
 - December to February 28, 2011
 - Requires submission of affidavit

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Municipal Assessment Report (MAR) & TID Assessment Report

- Assessor Final Report is now Municipal Assessment Report & TID Assessment Report
- Both electronically filed in 2011 using WAMS ID
- Due by 2nd Monday in June
- 3 types of reports:
 - Estimated: BOR not adjourned by 2nd Monday in June
 - Final: BOR complete by 2nd Monday in June
 - Amended Final: Only to change previously submitted Final
- Estimate submitted in June; Final must be submitted within 10 days after BOR is complete

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Municipal Assessment Report (MAR) Reporting Acres by Class & Subclass


Class 4 – Required


- 1st Grade Tillable
- 2nd Grade Tillable
- 3rd Grade Tillable
- Pasture
- Cranberry Bed
- Total Class 4 Acres


Class 4 – Optional


- Orchard
- Christmas Tree
- Irrigated / Muck
- Aquaculture Ponds
- All Other Specialty
- Include optional acres as part of required acres

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Municipal Assessment Report (MAR) Reporting Acres by Class & Subclass	
Class 5 – Required	
<ul style="list-style-type: none"> ■ Fallow ■ Swamp ■ Waste ■ Road Right-of-Way ■ Conservation Easement 	<ul style="list-style-type: none"> ■ Water Frontage ■ Ponds ■ Lake Bed / River Bottom ■ All Other Specialty ■ Total Class 5 Acres
10	

	
Municipal Assessment Report (MAR) Reporting Acres by Class & Subclass	
Class 5m – Required	
<ul style="list-style-type: none"> ■ Primary Agricultural Forest ■ Secondary Agricultural Forest ■ Residual Agricultural Forest 	<ul style="list-style-type: none"> ■ Conservation Easement ■ Water Frontage ■ All Other Specialty ■ Total Class 5m Acres
11	


	
Municipal Assessment Report (MAR) Reporting Acres by Class & Subclass	
Class 6 – Required	
<ul style="list-style-type: none"> ■ Primary Forest ■ Secondary Forest ■ Residential Forest ■ Conservation Easement 	<ul style="list-style-type: none"> ■ Water Frontage ■ All Other Specialty ■ Total Class 6 Acres
12	

 <h2>Municipal Assessment Report (MAR)</h2> <p>Reporting Acres by Class & Subclass</p>	
Class 7 – Required <ul style="list-style-type: none"> ■ Mega Dairy Farm Site Acres ■ Cranberry Land Improvement Site Acres ■ All Other Agricultural Site Acres ■ Total Class 7 Acres 	Miscellaneous Optional <ul style="list-style-type: none"> ■ Managed Forest Law (MFL) ■ Private Forest Crop (PFC) ■ All Other Exempt

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 <h2>TID Assessment Report</h2> <ul style="list-style-type: none"> ■ Report total assessed value of locally assessed property in each TID: <ul style="list-style-type: none"> □ Total assessed value of TID within each taxation district (TID in 2 counties = 2 separately reported values) □ Total assessed value by school district □ Total assessed value by special district

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 <h2>TID Valuation Procedure</h2> <ul style="list-style-type: none"> ■ Modified for 2010 values & beyond ■ Use reported assessment totals for all classes (RE & PP) ■ Adjust to full value using level of assessment ■ Use 100% for revaluations ■ 70.57 adjustments if TID SOA totals and/or aggregate ratio changes ■ 2010 base equalized value <ul style="list-style-type: none"> = (2010 TID assessed value / 2010 municipal level of assessment) + 2010 manufacturing property ■ 2011 increment equalized value (subsequent year) <ul style="list-style-type: none"> = (2011 TID assessed value / 2011 municipal level of assessment) + 2011 manufacturing property — 2010 base equalized value
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Computer Exemption Report Municipal & TID

- Updated electronic filing format
 - Format consistent with Municipal Assessment Report & TID Assessment Report
- May 1st filing deadline
- All municipal & TID computer exemption reports must be filed at same time

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2011 Report Summary

- Municipal Assessment Report
- TID Assessment Report
- Municipal & TID Computer Exemption Report
- DOR will work with municipalities & vendors to submit electronic file vs. online filing application
- Assessors to review & test forms
 - Need volunteers
 - Review: December 2010
 - Testing: February-March 2011

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Agricultural Use-Value

- 2011 Use-Value Guidelines
 - <http://www.revenue.wi.gov/report/a.html>
 - 2011 use-value statewide average: \$155/acre
 - 2010 use value statewide average: \$161/acre
 - % change from 2010 to 2011 = (3.58%)
- Conversion Charge – 74.485(8)
 - No later than 15 days after BOR completion, assessors shall deliver to county treasurer all information to compute

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Major Class Comparison

- 2010 Preliminary
 - Reports – Equalized Value
<http://www.revenue.wi.gov/report/e.html>
 - Split District: both sides must have filed SOA
 - 1 side without SOA = incorrect values
- **Final** 2010 available March 2011
- Noncompliance notices have been sent
- 70.05 training requirement for 2011 is included as part of 2010 Assessor Schools

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Reminder: Correction of Error

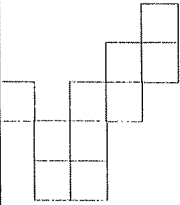
- Statutes do not allow for adding or subtracting error in prior year from current assessment
- Statutes for correcting error depend on circumstances & timing:
 - 70.43: correction of error under 74.33 by assessors
 - 70.73(1m): correction of tax roll after BOR if clerk / treasurer discovers palpable error under 74.33
 - 74.33: governing body may refund tax if:
 - Clerical error made in description of property or in computation of tax
 - Assessment included real property improvements which did not exist
 - Property exempt by law from taxation
 - Property not located in taxation district
 - Double assessment has been made
 - Arithmetic, transpositional or similar error
 - 74.35: Recovery of unlawful taxes
- See WPAM: 4-2, 5-46, 17-13, 18-23, 18-24, 21.2-3 & 21.2-4

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State Prescribed Forms


- <http://www.revenue.wi.gov/forms/govasr/spflist.html>
- Must receive approval from Assessment Practices prior to using alternatives
- Include with request:
 - Items modified
 - Items added
 - Items dropped
 - Items moved
- Provide rationale for changes

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Provide Assessment Data (PAD)

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Provide Assessment Data (PAD)


2010 Enhancements:

- Select attributes required for improved parcels
 - Type code, square foot, etc.
- Purpose:
 - Enables stratification of sales
 - Access to sales activity across municipal boundaries
 - Requires uniform data collection

PAD File Transfer

- October 7: DOR discussion of PAD file layout with municipalities & vendors
- Contact James Bender: james.bender@revenue.wi.gov

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Provide Assessment Data (PAD)

- Assessor entry for 2010 sales until February 25
 - See calendar of events

Assessor Access to Data

- PAD downloads
- Attribute data available in spring 2011

Public Access

- DOR plans to provide PAD data on Internet (date to be determined)
- <http://www.revenue.wi.gov/ereptr/data/index.html>

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Provide Assessment Data (PAD)

Reminders

- Submit data after BOR complete
- Validate & Verify all sales as of sale date
 - Validate: whether arms-length useable for modeling, comparable sales, or ratio analysis
 - Verify: review attributes as of sale date to ensure accurate recording
- Usable (arms-length) see DOR March 2009 presentation & FAQ
 - <http://www.revenue.wi.gov/training/assess/rc/waao.pdf>
 - <http://www.revenue.wi.gov/faqs/stl/declmrkt.html>
- Usable for ratio
 - Sale price represents physical & legal status as of January 1
 - Asmnts. as of Jan 1 (June 12, 2010 sale – use Jan 1, 2010 asmnt.)
- Multiple parcel sale: include assessment data for all parcels

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DOR Sales Analysis Information

- Fielding of large acre sales completed by mid-April
 - Assessor property record cards requested for improved sales & used in sales analysis
 - Contact district office after April 11 to receive copies of sales summaries, or discuss fielded sales
- Assessor stratified sales information needed in early May for 2011 economics
- Final sales analysis completed by late May
 - Preliminary economic adjustment information available to assessors in late May

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Law Changes

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Trespass - Clarification

- 2009 Act 68: Effective Nov. 26, 2009
- 70.05(5)(b):
 - ☐ Before revaluation, municipality shall publish notice on web site:
 - Include dates of revaluation & assessor's authority to enter land
 - ☐ No official web site? Post notice in 3 public places
- Publish for 3 types of revaluations
 - ☐ Full, Exterior & Interim Market Update (2010 WPAM Page 4-2)
- <http://www.legis.state.wi.us/2009/data/acts/09Act68.pdf>

Certified request to inspect letter: 70.47(7)(a)

- Annual process to owners who refuse entry
- Documents owner refusal for that year
- Owner can change & consent to request

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Nonprofit Theater Exemption

- 2009 Act 152: Effective January 1, 2010
- 70.11(45): Nonprofit theater exemption
- 6 eligibility conditions
 - ☐ On land within 20 miles of Mississippi River
 - ☐ All property owned or leased by corporation exempt under 501(c)(3) by IRS
- <http://www.legis.state.wi.us/2009/data/acts/09Act152.pdf>

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Trail Groomer Exemption

- 2009 Act 155: Effective January 1, 2009
- 70.11(45m): trail groomers owned by snowmobile or all-terrain vehicle clubs exempt under 501(c)(3), (4), or (7)
- <http://www.legis.state.wi.us/2009/data/acts/09Act155.pdf>

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Assessor Certification

- 2009 Act 234: effective August/September 2010
- 73.09(4)(c): eliminates assessor recertification notary requirement
- <http://www.legis.state.wi.us/2009/data/acts/09Act234.pdf>

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Agricultural Land Valuation


- 2009 Act 235: effective May 20, 2010
- 70.32 (2r) "Agricultural land shall be assessed according to the income that could be generated from its rental for agricultural use"
- Removed obsolete language
- <http://www.legis.state.wi.us/2009/data/acts/09Act235.pdf>

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Agricultural Use: Short Rotation Trees

- 2009 Act 401: effective January 1, 2011
- 70.32(2)(c)1i: includes growing of short rotation woody crops as "agricultural use," including poplars & willows using agronomic practices
- 70.32(2)(c)1k: "Agronomic practices" means agricultural practices generally associated with field crop production, including soil management, cultivation & row cropping
- <http://www.legis.state.wi.us/2009/data/acts/09Act401.pdf>
- Handout

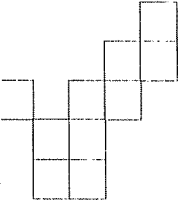
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Tax Incremental Finance


- Act 5: Chippewa Falls, Act 176: Sheboygan & Waukesha, Act 67: Racine, Act 170: Elmwood
- Act 66: ER-TID Increment Sharing
- Act 310: Distressed & Severely Distressed
 - <http://www.legis.state.wi.us/2009/data/acts/09Act310.pdf>
 - <http://www.revenue.wi.gov/forms/govt/11/dddistrd.html>
- Act 312: Administrative Changes
 - Municipalities must remit \$150 annual fee by May 15 to receive increment
 - Creations & amendments to DOR on or before October 31
 - 12% limit calculation:
 - Exclude overlapped parcels
 - Not comply with 12%: rescind or within 30 days after receiving DOR's notice, submit application removing parcels
 - Joint Review Board meetings require class 1 notice at least 5 days prior
 - <http://www.legis.state.wi.us/2009/data/acts/09Act312.pdf>

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Integrated Property Assessment System (IPAS)

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


Integrated Property Assessment System

What is Being Completed

- Manufacturing
 - Modeling common property types
 - Assessment Rolls on Internet
- Equalization
 - Currently completing commercial field review
 - 2010: TID valuation
 - 2011: e-filing of Municipal Assessment Report (MAR)
 - 2011: Equalized Values Calculation
- Local Government Services
 - 2010: Treasurer's Statement of Taxes (SOT)
 - 2010: County, Municipal, Special & School District Apportionments
 - 2011: Loading Statement of Assessments (SOA)

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


Integrated Property Assessment System

Where it is going: PAD attributes

- Assessor's only site initially
- Refinement of reporting accuracy & timeliness
- Upload relevant information to I-Care public site

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


Integrated Property Assessment System

Where it is going: Assessment/Tax Rolls

- DOR collecting electronic rolls from Counties & Municipalities
 - Work with partners including Real Property Listers to standardize
- Future uses:
 - Replace Clerk's reporting SOA data
 - Easier application of 74.41 chargeback, TID valuation
 - Track parcel changes
 - Eliminates missed/duplicate mfg/local issues
 - Detail for projecting equalized value
 - e.g., stratification by value, class, water frontage, TID
 - RETR: improve accuracy of parcel #'s upon filing

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


Integrated Property Assessment System

Where it is going: Electronic Parcel Files

- DOR requesting parcel data from select municipalities
- Work with assessment partners to set minimum standards
- Assessment parcel files required electronic by 2013
 - Standardize parcel records statewide
 - Allow for ease in changing assessors and software
- Long term goal: parcel based data statewide
- Consistent quality
- Complete & accurate parcel attributes
- Transparent to municipal officials and property owners

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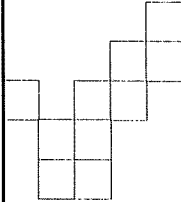


Integrated Property Assessment System

Where it is going: USPAP Implementation


- SLF/ASSESSMENT Work Group partners
 - Subgroup of assessors representing:
 - League of WI Municipalities
 - WAAO
 - WI Towns Association
 - Contract Assessors
 - To develop compliant report formats
- Long term: IPAS data to tie with reports

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Wisconsin Property Assessment Manual

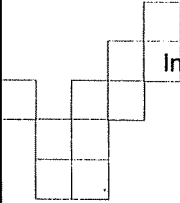
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2011 WPAM Revisions


- Use-Values
- Composite Conversion Factors
- Routine changes to State Prescribed Forms
- Summary of past year's case law
- Potential:
 - Sub-divider discount/discounted cash flow/condominiums
 - Recreational mobile home update
 - Correction of errors

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International Association of Assessing
Officers Standards (IAAO)
&
Uniform Standards of Professional
Appraisal Practice (USPAP)


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OUTLINE

- What are the new standards prescribed by DOR?
- What are the IAAO Standards?
- What are the USPAP Standards?
- What does USPAP expect of the primary assessor in 2012?
- What does USPAP expect of the Equalization Section in 2012?

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What are the New Standards Prescribed by DOR?

As described in the 2010 *WPAM* the new standards are:

1. The IAAO's Technical Standards—developed and updated over several decades.
2. The Appraisal Foundation's *Uniform Standards of Professional Appraisal Practice*, known as USPAP—became effective in 1987.

NOTE: The Statutory language relating to professionally accepted appraisal practices became effective in 1991.

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What are the IAAO Standards?

Considered technical standards - address methods & practices

1. They have been created by assessors for assessors.
2. Many have been incorporated into the WPAM.
3. The IAAO Standards tell you how to do things whereas USPAP tells you how things should be done.
4. The IAAO Standards are available on the IAAO website at <http://www.iaao.org>.
5. The IAAO Standards consist of 15 documents:

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The IAAO Standards consist of 15 documents:

1. Guide to Assessment Administration Standards
2. Standard on Contracting for Assessment Services
3. Standard on Administration of Monitoring and Compliance Responsibilities
4. Standard on Assessment Appeal
5. Standard on Automated Valuation Models (AVMs)
6. Standard on Digital Cadastral Maps and Parcel Identifiers
7. Standard on Facilities, Computers, Equipment, and Supplies
8. Standard on Manual Cadastral Maps and Parcel Identifiers
9. Standard on Mass Appraisal of Real Property
10. Standard on Professional Development
11. Standard on Property Tax Policy
12. Standard on Public Relations
13. Standard on Ratio Studies
14. Standard on Valuation of Personal Property
15. Standard on Valuation of Properties Affected by Environmental Contamination

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What are the USPAP Standards?

- USPAP: *Uniform Standards of Professional Appraisal Practice*
- USPAP applies to the entire appraisal profession.
- The property assessment profession consists of 3 components:
 1. property appraisal (individual, mass, and review appraisal)
 2. assessment administration, and
 3. property tax policy.
- USPAP: way to organize and explain your work.
- A major expectation of USPAP is disclosure.
- USPAP has 2 main pillars:
 1. to promote and maintain a high level of public trust and,
 2. to develop and communicate the analyses, opinions, and conclusions in a manner that is meaningful and not misleading.

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USPAP has the following Parts:

- Definitions
- Preamble
- Ethics Rule
- Competency Rule
- Scope of Work Rule
- Jurisdictional Rule
- Standards and Standards Rules
- Statements on Appraisal Standards
- Advisory Opinions
- Frequently Asked Questions

Not an official part of USPAP

USPAP is available on the Appraisal Foundation website.

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- Definitions: establish terminology in USPAP
- Preamble: states purpose of USPAP is for appraisers to:
 1. promote & maintain a **high level of public trust** in appraisal practice by establishing requirements for appraisers
 2. develop & communicate their analyses, opinions & conclusions in a manner that is **meaningful & not misleading**
- Ethics Rule: requirements for integrity, impartiality, objectivity, independent judgment & ethical conduct
- Competency Rule: pre-assignment & assignment conditions regarding assignment knowledge & experience
- Scope of Work Rule: obligations related to problem identification, research & analyses
- Jurisdictional Exception Rule: preserves balance of USPAP if law or regulation of jurisdiction precludes compliance with any part of USPAP

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USPAP: 10 standards addressing activities of development & reporting.

- STANDARDS 1 & 2: real property appraisal.
- STANDARD 3: appraisal review.
- STANDARDS 4 & 5: real property appraisal consulting
- STANDARD 6: mass appraisal.
- STANDARDS 7 & 8: personal property appraisal.
- STANDARDS 9 & 10: business or intangible asset appraisal

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- Statements: clarify, interpret, explain, or elaborate Standard Rules.
- Advisory Opinions: (AO's) guidance on how to:
 - apply USPAP
 - resolve problems
- AO's do not establish new standards or interpret existing standards.
- AO's are not an official part of USPAP.
- AO's that directly affect the assessor include:
 - AO-18—Use of an Automated Valuation Model
 - AO 32—Ad Valorem Property Tax Appraisal and Mass Appraisal Assignments

What is expected of Primary Assessors in 2012?

- Primary assessors are those assessors who sign the roll:
 - Municipal Assessors
 - State Manufacturing & Telco Assessors
- Primary assessors must comply with USPAP for January 1, 2012 assessment
- Assessors must comply with applicable standards:
 - Mass appraisal: appraiser must comply with Standard 6
 - Individual appraisal: appraiser must comply with Standards 1 & 2
 - Appraisal is reviewed: appraiser must comply with Standard 3
- On appeal, appraiser may support value with Standard 6 report or with Standard 1-2 report
- When an appraiser reviews an appraisal, such as that presented for appeal, appraiser should comply with Standard 3

What is expected of Equalization in 2012?

1. Sales Analysis System (SAS)—A ratio study
 - When used to help determine quality of assessment, appraiser does not have to follow USPAP
 - When used to estimate equalized value, appraiser must comply with USPAP
2. Fielded Sales Analysis System (FSAS)—When used to determine market value per acre for class 4, 5, 6 & 7 within each jurisdiction, appraiser must comply with USPAP
3. Field Review—When used to adjust base values, appraiser must comply with USPAP
4. 70.85: Equalization reviews appraisal, appraiser must comply with USPAP
5. 70.75: Equalization orders reassessment, appraiser completing work must comply with USPAP

What is expected of Assessment Practices in 2012?

- update WPAM to comply with USPAP & IAAO Standards
- develop example reports & templates
- offer & coordinate education
- consider all input
- offer consultation upon request
- check compliance

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Standard 6 Mass Appraisal Report

Select Examples of Report Components

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Transmittal Letter (1 of 2) _____, 20____

☐ Town ☐ Village ☐ City of _____, WISCONSIN

(Client Address) _____

Dear _____;

(Client Name)

As you requested, I have assessed all of the property in the ☐ Town ☐ Village ☐ City of _____ and I have developed an opinion of market value for each parcel as of January 1, 20____.

The ☐ Town ☐ Village ☐ City of _____ is the intended and authorized user of this report and property tax distribution is the intended use. Neither myself (☐ nor my company nor it agents) are responsible for unauthorized use of this report.

This report has been prepared in conformance with my understanding of the requirements of the *Uniform Standards of Professional Appraisal Practice* and Title XI of FIRREA, Wisconsin Statute, case law, administrative rule, and practices promulgated by the Wisconsin Department of Revenue through the Wisconsin Property Assessment Manual.

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Transmittal Letter (2 of 2)

We have inspected the properties based upon Wisconsin Statute [and ☐ our contract]. Please understand that the detail of our inspection was within the scope of property appraisal (versus that of a building inspector or engineer).

Other than those items identified in this report or in the file (paper or electronic), the appraiser knows of no adverse physical conditions affecting the properties as of the effective date of the assignment. It should be noted that any undisclosed or undiscovered physical problems could adversely affect a property's value.

The authorized users are cautioned that the final opinions of value are based on certain information, assumptions, and possible limiting and hypothetical conditions. When and if these exist, they are identified in the body of this report and in individual paper or electronic property record files. Any change to these conditions could significantly affect the appraiser's opinion of value. A *due diligence* review of this report by the client and other authorized user is strongly recommended. Please note that a review of the assessment roll by the client is mandatory under Wisconsin law.

Respectfully submitted,

Wisconsin Certified Assessor # _____

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Summary of Salient Facts & Conclusions (1 of 2)

Property Description: The subject properties include all taxable residential, commercial, municipal, agricultural real estate parcels and all taxable personal property. Manufacturing properties are excluded as they are assessed by the State of Wisconsin.

Location: The subject properties are located in Sections _____ - _____, Town _____ N, Range _____ E. In the ☐ Town ☐ Village ☐ City of _____ located in _____ County.

Land Area: The municipality contains about _____ acres.

Date of Value: January 1, 20____ according to S.70.01 Wis. Stats.

Date of Report: _____, 20____

Interest Appraised: Per S.70.03 Wis. Stats.

Level of Assessment: _____% estimated as of _____, 20____

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Summary of Salient Facts & Conclusions (2 of 2)

Real Property

Class Code	Class Type	Category	Parcel Count	Acres	Assessed Value
Class 1	Residential	Land			
		Improvements			
Total					
Class 2	Commercial	Land			
		Improvements			
Total					
Class 4	Agricultural	Land			
		Improvements			
Total					
Class 6	Undeveloped	Land			
Class 6m	Agricultural Forest	Land			
Class 7	Other	Land			
		Improvements			
Total					
Total	Total	Land			
		Improvements			
		Total			
		Manufacturing Parcels			
		Exempt Parcels			
		Total Parcels			

60

Property Rights Appraised

- Defined by statute: "all buildings and improvements thereon, and all fixtures and rights and privileges appertaining thereto..." according to 70.03 & all personal property according to 70.04
- Within this context, the appraisals are for fee simple title for all the rights in the property, subject only to the limitations of the powers of government to include taxation, eminent domain, escheat, and police power

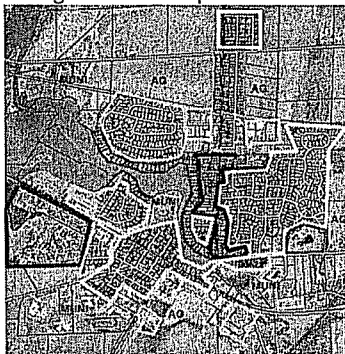
61

Required & Significant Assessment Dates & Reports

Report/Action	Date Required	Date Completed	Completed By	Details
Mobile Home Valuation	December 31, 2007	January 22, 2008	Assessor	The mobile homes are valued annually to determine the monthly parking fee.
Mailed 2007 Personal Property Returns	Varies for Revaluation Projects	December 28, 2007	Assessor	Mailed 64 blank returns to all old and new accounts
Personal Property Returns Due	March 1	March 1	Property Owner	54 accounts received timely
Complete Exemption Report	May 1	April 18	Assessor	Filed via electronic filing system
Assessors Final Report, All Property and TIF Property	June 9	June 5	Assessor	Final submission was received by the Department of Revenue
Open Book	Varies for Revaluation Projects	May 15	Assessor	Held four hours
Board of Review	Varies for Revaluation Projects	June 4	Board of Review	Held open for four hours and adjourned on June 4. In total, seven objections were filed. Two objections were filed in compliance with the 40-hour requirement. Four assessments were changed by the Board of Review.

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Neighborhood Map



Map	Neighborhood	Color
1	Amesbury Creek	Yellow
2	Deep Haven	Yellow
3	Deep Haven	Yellow
4	Deep Haven	Yellow
5	Deep Haven	Yellow
6	Deep Haven	Yellow
7	Deep Haven	Yellow
8	Deep Haven	Yellow
9	Deep Haven	Yellow
10	Deep Haven	Yellow
11	Deep Haven	Yellow
12	Deep Haven	Yellow
13	Deep Haven	Yellow

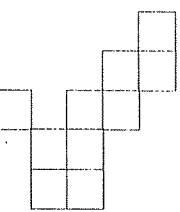
63

Ratio Study: January 1, 2009 assessment versus 2009 sales residential property		
Valid Sales		64
Total Assessed Value of Sales	\$ 10,254,900	
Total Sales Value of Valid Sales	\$ 11,112,000	
Aggregate Ratio		92.29%
Average		93.05%
Median		95.23%
Standard Deviation		11.56%
Coefficient of Variance		12.42%
Maximum Sales Ratio		107.17%
Minimum Sales Ratio		23.48%
Coefficient of Concentration		95.24%
Relative Coefficient of Dispersion		7.33
Price Differential		1.01

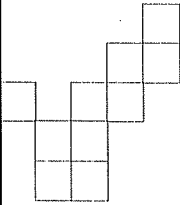
64

Examples of Reports for Addenda	
■	Assessors Final Report/MAR
■	Computer Exemption Report
■	Neighborhood Descriptive Statistics
■	List of Valid Sales by Class
■	Sample PRC's for Each Class
■	Qualifications of the Appraiser

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 <h2>Court Cases</h2>	
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66



**Elbert
vs.
Town of Erin Prairie
Board of Review**

Court of Appeals, District III
 #2009AP1343, February 17, 2010
 Not Published
<http://www.wisbar.org/res/capp/2010/2009ap001343.htm>


67



Background

- Elbert objected at BOR
 - 5 recent sales adjusted to reflect differences between subject
 - Claimed assessment should be lower
 - Did not present independent or professional appraisals
- BOR sustained assessment
 - Did not determine which valuation was accurate
 - Lowering value, even if appropriate, would be unfair to other property owners
 - Lowering value could encourage more value challenges
- Elbert appealed claiming BOR determination on tax equity

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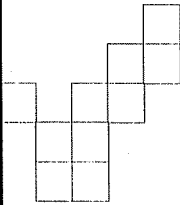
Issue

- Can BOR uphold assessment based on equity instead of determining if assessor's value is accurate?

Decision

- Appellate Court remanded to BOR (July 19, 2010)
- BOR cannot use tax equity to make determination
- BOR must look at accuracy of assessment
- Under 70.32 assessor must assess real estate at fair market value
- Under 70.47(9) BOR must examine evidence before determining assessor's value correct


69



Lands' End Inc
vs.
City of Dodgeville

Court of Appeals, District IV
 #2009AP2627, May 27, 2010
 Not Published
<http://www.wisbar.org/res/capp/2010/2009ap002627.htm>

70




Background

- Lands' End alleged 05 & 06 assessment too high
- Circuit Court agreed with Lands' End
- City appealed
- Court of Appeals agreed with Circuit Court in determining value
- City argued that constitutional rights violated when Circuit Court decided without jury
- City argued Lands' End should not be awarded interest

Issue

- Whether presumption of correctness of City's original assessment was overcome
- Whether circuit court's finding of fair market value was erroneous

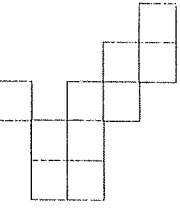
71



Decision

- Granted Lands' End claim of paid excess property tax
- Presumption of correctness overcome: current assessment was 10-year old value using estimates for later expansion without new comparables
- Property with unknown highest & best use could be used as similar sale as long as other similarities exist
- No violation of constitutional rights due to lack of jury
- Not erroneous to award interest
- See *Lands' End v. city of Dodgeville, 09CV108* for dispute involving 2008 property value (next case)


72



Lands' End, Inc.
vs.
City of Dodgeville

Iowa County Circuit Court
 #2009CV108, April 19, 2010
 Not published


73



Background

- 08 Lands' End assessment \$54 million
- Lands' End contended \$25 million
- *See Lands' End v. city of Dodgeville, Appeal No. 2009AP2627 for 2005 & 2006 valuation case*
- City received Lands' End experts' file via subpoena
 - Based on information in file, City established Motorola was considered a "steal" because it was sold in distress
 - Motorola property sold for \$25 million
- BOR determined Lands' End value was \$54 million
- Circuit Court reviewed if BOR remained within jurisdiction & acted according to law

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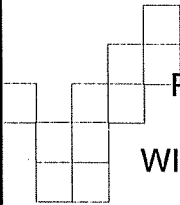
Issue

- Was BOR within jurisdiction, proceeded on theory of law?
- Was it arbitrary, capricious, oppressive, or unreasonable?

Decision

- Circuit court affirmed BOR
 - BOR within jurisdiction, acted according to law, not capricious, oppressive, or unreasonable
 - BOR was reasonable in accepting City's evidence of other comparables & rejecting that Motorola was best comparison
 - Lands' End not sufficient showing that valuation was incorrect
- July 19, 2010: appealed to Court of Appeals


75



Pierce Milwaukee, LLC
vs.
WI Department of Revenue

Tax Appeals Commission
 #09-M-045 & 09-M-046
 December 16, 2009


76



Background

- Initial objection was filed within 60 days but key information necessary to verify taxpayer information was missing (e.g. phone number)
- Taxpayer given 2 weeks to correct information
- Taxpayer did not correct until approx. 80 days later
- Based on missed deadlines, State Board of Assessors (BOA) dismissed Pierce
- Pierce filed petition for review TAC
 - Included affidavit stating submitter was authorized to represent Pierce before Board
 - DOR moved for summary judgment arguing TAC lacked jurisdiction since Pierce failed to properly bring objection

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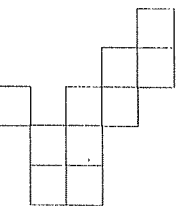
Issue

- Does TAC have jurisdiction to hear appeal when State BOA rejected objection?

Decision

- DOR's motion for summary judgment was granted
- TAC agreed it lacked jurisdiction to hear appeal
- 70.995(8): 2 step process for manufacturers to object
 - 1st: Objection to State Board of Assessors
 - 2nd: Appeal to Tax Appeals Commission
- State BOA properly rejected 1st objection form
 - Original objection: timely & not properly filed
 - 2nd properly submitted: 90 days after 60-day deadline


78



Johnston v. Town of Caledonia

Circuit Court, Waupaca County
#2009CV516, May 27, 2010
Not Published

79



Background

- 2008: Johnstons purchased from bank foreclosure \$417,863
- 2009: assessed \$719,800
- Johnstons submitted an appraisal \$450,000


Issues

- Foreclosure sale of bank property arm's-length if listed as forced?
- Evidence that transaction conforms to sales of comparables?

Decision

- Circuit Court affirmed that BOR did not consider foreclosure sale
- Not appealed

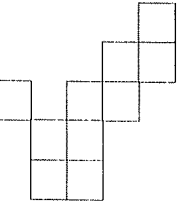
80



Court Held

- BOR could have reasonably determined foreclosure sale of bank property not arm's-length
- Highlighted 5 of *Donell's* 6 conditions for sale to be arm's-length
 - Exposed to open market for typical time
 - Buyer & seller knowledgeable about market
 - Buyer & seller knowledgeable about uses, present & potential
 - Willing buyer and seller, with neither compelled to act
 - Payment in cash or typical financing and payment arrangements
- Assessor's testimony & record, which listed bank sales as forced, adequate to support BOR - condition of willing seller not met
- Assessment conformed to arms'-length sales of comparables


81



**State ex rel. Liska v.
Village of Hales Corners**

Court of Appeals, District 1
#2008AP3099, December 17, 2009
Not Published
<http://www.wisbar.org/res/capp/2009/2008ap003099.htm>

82



Background

- 2007: assessment value increased from \$247,500 to \$333,000
- Liskas: fair market value = \$300,000


Issues

- Assessor's valuation, validated on assessor's oral testimony, entitled to a presumption of correctness?
- Must BOR provide explanation to support determination?

Decision

- Court of Appeals affirmed circuit court to dismiss Liska's petition against BOR
- Decision not appealed

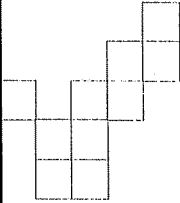
83



Court Held

- Assessor's assessment entitled to presumption of correctness
- 70.47(8)(h) only requires "specific information"
- Did not elaborate on "specific information"
- Concluded information provided in assessor's oral testimony met statutory requirement
- Liska did not cite case law to support argument that BOR needs to provide explanation for decision, court concluded BOR acted properly


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Sager v. Taycheedah Board of Review

Court of Appeals, District II
#2009AP972, December 30, 2009
Not published
<http://www.wisbar.org/res/capp/2010p/2009AP000972.pdf>


85



Background

- BOR appealed circuit court's decision that Town's assessment of Sager's land was arbitrary & capricious
- Sager's own 1.8 acres comprised of .53 acres residential site & 1.27 acres zoned for "conservancy" both have Lake Winnebago frontage
- Assessed at \$756,700, including \$40,000 for 1.27 acre portion
- Sager's: should be \$29,100, same as adjacent 1.27 acre parcel
- Town contends adjacent parcel is not comparable since landlocked
- BOR agrees with Town
- Sager's petition circuit court
- Based on its independent research, circuit court concluded BOR's decision contrary to law, arbitrary & capricious
- Remanded to BOR to reassess property between \$5,176.50 & \$12,390.30

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Issue

- Can a Circuit Court conduct independent research when reviewing a BOR's decision of an assessment?

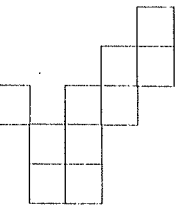
Decision

- NO. Decision must be based on record. Circuit court's decision reversed & remanded with directions to affirm BOR, which upheld Town's assessment
- Not appealed

Court Held

- Circuit court exceeded authority going outside of record to determine assessment & remanding to reassess property at set amount
- Question was whether assessment conformed with statutes
- Found Town met requirement
- Sager's failed to present evidence that assessment was improper
- Concluded assessment was entitled to presumption of correctness


87



**Adams Outdoor
Advertising LTD.
vs.
City of Madison**

Court of Appeals, District IV
 #2009AP1373, July 8, 2010
 Not recommended for publication
<http://www.wisbar.org/res/capp/2010p/2009AP001373.pdf>


88



Background

- Adams: outdoor billboard services
- Madison assessed portion of billboard permit value
- Circuit Court ruled assessment improper
- Supreme Court: assessments could not include permit value
- Permits are taxable real property
- 100% of tax burden was not shifted from billboard owners to land owners
- City argues portion of tax burden remains with Adams
- Portion should be taxed as stand-alone real property, untethered to billboard or land underneath billboard

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Issues

- City's billboard permit value improper?
- City's appeal of Circuit Court decision frivolous?

Decision

- Affirmed assessments improper
- Appeal not frivolous
- Oct 15, 2010: review by Supreme Court pending

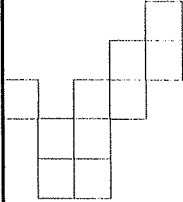
90



Court Held

- Portion of tax burden related to permits is retained by holder
- Treating permit as stand-alone real property, un-tethered to either billboards or land under them may or may not be a viable approach
- City placed assessed value on billboard structure treating permits as though they added value to structure
- Billboard permits only added value to real property underneath billboard
- Accordingly, City's assessment were improper
- City's decision to appeal was not frivolous
- Previous decision was unclear about how City may actually tax value of taxable real property


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Saddle Ridge Corporation v. Town of Pacific

Wisconsin Supreme Court
 #2007AP2886 June 18, 2010
<http://www.wisbar.org/res/sup/2010/2007ap002886.htm>


92



Background

- Saddle Ridge assessed on 41 condominium units declared & platted in condominium instruments but not constructed at time they were assessed
- Saddle Ridge argued each parcel was not condominium "unit" and not a unit "until it is four walls or a cubicle of air or a building."
- Saddle Ridge relied on 703.21, which states in part that "[n]either the building, the property nor any of the common elements shall be deemed to be a parcel separate from the unit."

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Issue

- Who's responsible for property taxes on declared but un-built condominium units

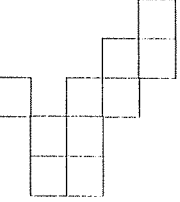
Decision

- Supreme Court reversed circuit court, affirming property tax assessment against Saddle Ridge

Court Held

- Each "unit" in condominium declaration is a "unit" for purposes of separate taxation under 703.21, regardless of whether unit has been constructed
- "Unit" as defined in 703.02(15) may exist without a building


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Northwestern Community Services Agency v. City of Montreal

Court of Appeals, District III
 #2009AP2568, July 20, 2010
 Recommended for publication
<http://www.wisbar.org/res/capp/2010/2009ap002568.htm>

95



Background

- 2007: Northwest requested exemption under 70.11(4)(1) for property it rents to low-income individuals
- City denied
- Northwest sued under 74.35 alleging taxes unlawful
- Circuit court granted Northwest refund & declared Northwest exempt from future property taxes

Issue

- Whether circuit court had authority under 74.35, to declare Northwest exempt from future property taxes

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Decision

- Affirmed circuit court ordering City to refund taxes paid by Northwestern
- Reversed judgment exempting Northwestern from future taxes

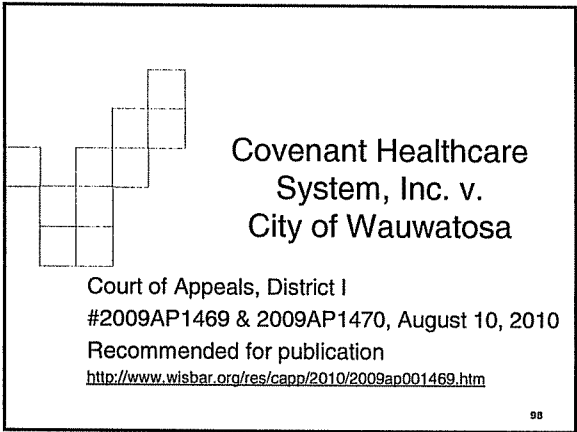
Court Held

- Circuit court exceeded scope of 74.35 when granting Northwest prospective tax relief
- 74.35 only authorizes courts to determine whether taxpayer is exempt from taxes already paid, not taxes that might be assessed

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- Court Held

- 97



Court of Appeals, District I
#2009AP1469 & 2009AP1470, August 10, 2010
Recommended for publication
<http://www.wisbar.org/res/capp/2010/2009ap001469.htm>

98

Background

- Clinic: freestanding outpatient facility owned & operated by nonprofit St. Joseph Medical Center, did not provide inpatient care
- St. Joseph also owned & operated inpatient hospital 5 miles from clinic
- Clinic included 24 hr urgent care, occupying less than 10% of clinic
- 2003, 2004, 2005 & 2006: Covenant filed timely exemption requests
- City denied
- Covenant sued under 74.35(3)(d) to recover taxes (2003 to 2006)
- Circuit court: clinic exempt under 70.11(4m)(a)
- City appealed: clinic was doctor's office & did not qualify for exemption

Issue

- Whether clinic was doctor's office or tax-exempt under 70.11(4m)(a)

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- ## Issue

- 99

Decision

- Remanded in favor of City

Court Held

- 70.11(4m)(a) prohibits exemption to property used as doctor's office
- Doctor's office: see patients by appointment during scheduled hours
- Hospital: offers "inpatient, overnight care"
- Determination: consider services provided & manner delivered
- Clinic was doctor's office: outpatient care during scheduled hours & provided physicians with cubicles
- Rejected claim that presence of urgent care services or sharing billing & bookkeeping system with hospital leads to different result

Status

- October 15, 2010: petition for review by Supreme Court pending

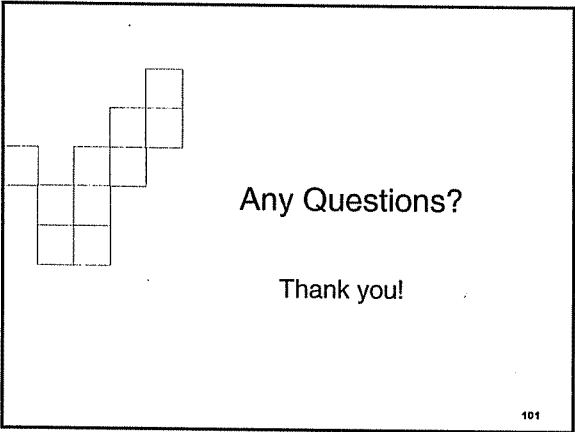
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- Court Held**

- ## Status

- October 15, 2010: petition for review by Supreme Court pending

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Thank you!

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